

BEAD Program: A Framework to Allocate Funding for Broadband Availability

State Broadband Report: New Jersey

January 2024





1 Eligible Locations

How many unserved/underserved locations are eligible for BEAD funding?

1%
19K LOCATIONS
OF NEW JERSEY LOCATIONS LACK HIGH-SPEED BROADBAND IN JUN 2023
VS. 9% STATE/TERRITORY AVERAGE

UNSERVED LOCATIONS, JUN. 2024



13.8K
LOCATIONS

Are estimated to lack broadband access at 25/3 Mbps

UNDERSERVED LOCATIONS, JUN. 2024



2.7K
LOCATIONS

Are estimated to lack broadband access at 100/20 Mbps

These locations are primarily in rural areas and are eligible for BEAD funding to deploy broadband service.

2 Total Funding

How much capital funding is the State/Territory estimated to have?

\$264M
IN BEAD FUNDING HAS BEEN ALLOCATED TO NEW JERSEY
VS. \$743M STATE/TERRITORY AVERAGE

ESTIMATED BEAD FUNDING:

BEAD Funds allocated by NTIA

\$264M

Estimated Provider Match

\$48M

Estimated Total Capital

\$311M

The provider match is estimated using a high-level service provider business case. See national summary deck for full details.

3 Deployment

How many locations can be covered with fiber and other technologies?

\$62M-\$111M
OF BEAD FUNDS IS REQUIRED TO BUILD HIGH-SPEED BROADBAND TO ALL ELIGIBLE LOCATIONS

DEPLOYMENT SCENARIOS:

Baseline Fiber

100% LOCATIONS REACHED
76% FIBER LOCATIONS

\$110M
TOTAL CAPITAL COST





\$201M
REMAINING BUDGET

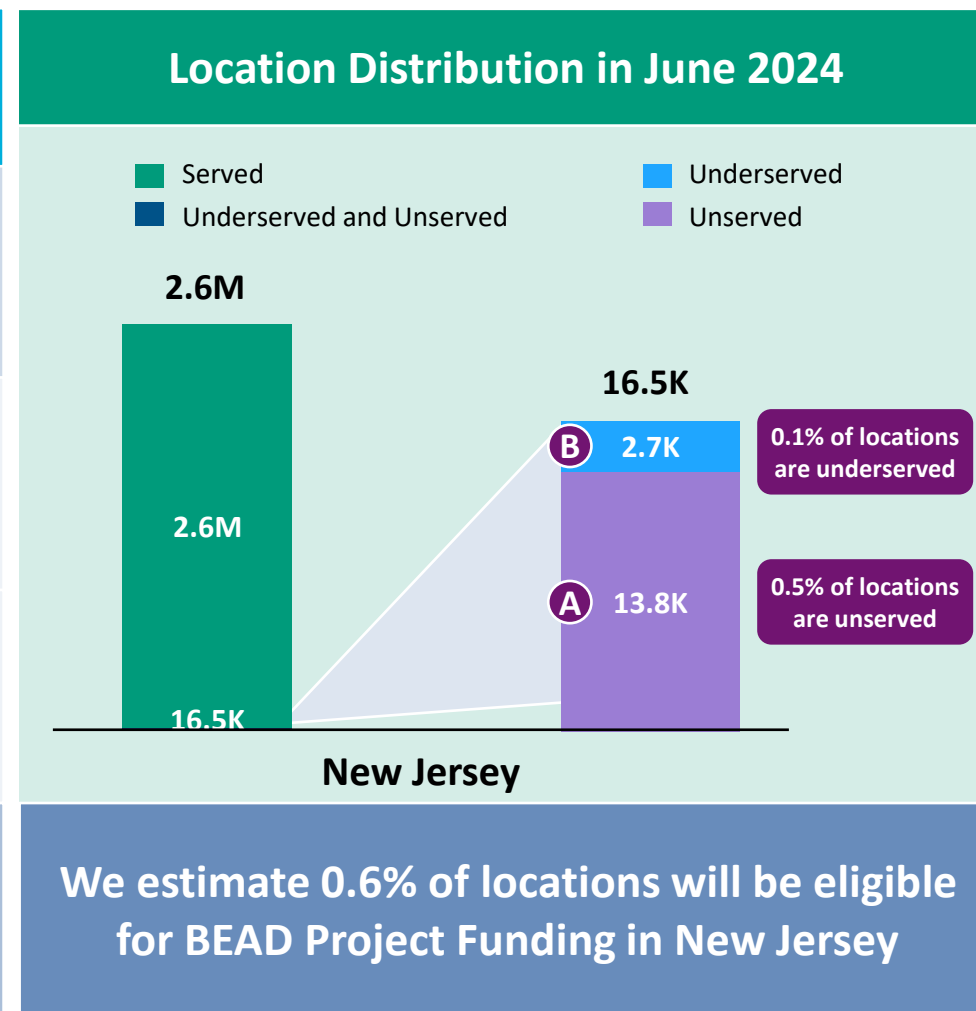
Maximum Fiber

100% LOCATIONS REACHED
100% FIBER LOCATIONS

\$159M
TOTAL CAPITAL COST

\$153M
REMAINING BUDGET

 June 2023 FCC Broadband Locations	Unserved <i>(less than 25Mbps/3Mbps)</i>	Underserved <i>(less than 100Mbps/20Mbps)</i>
 Subsidy Program Funded Locations ¹	16.0K	2.8K
 Incremental Build ² (13% annual build, for 12 months)	0.1K	0.1K
 Jun. 2024 Estimated Eligible Locations	13.8K (A)	2.7K (B)



1. Locations with “commitments” to receive support from federal subsidy programs

2. Given the uncertainty around the magnitude of locations moving from unserved to underserved, we have not made incremental builds adjustments to underserved locations

BEAD eligible locations does not account for state-specific eligibility rules set forth in Initial Proposals

Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023)

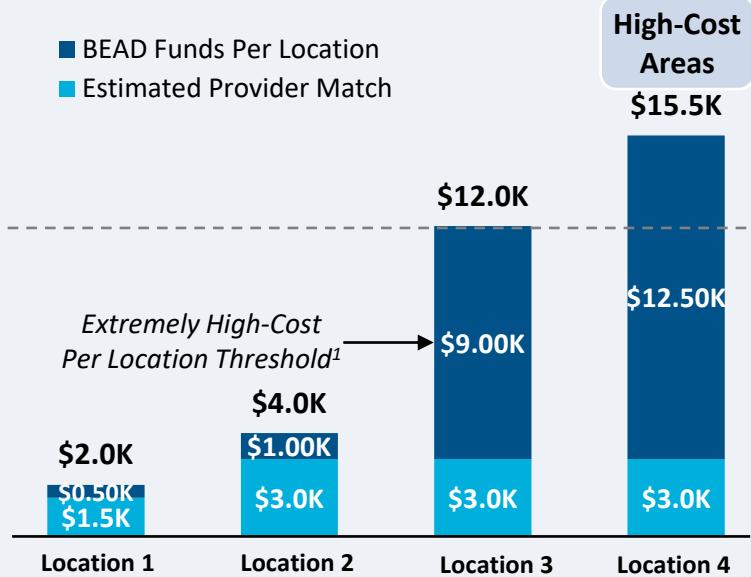
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New Jersey | BEAD Funding & Estimated Provider Match

Provider Match Examples

Total Deployment Cost per Location

- BEAD Funds Per Location
- Estimated Provider Match

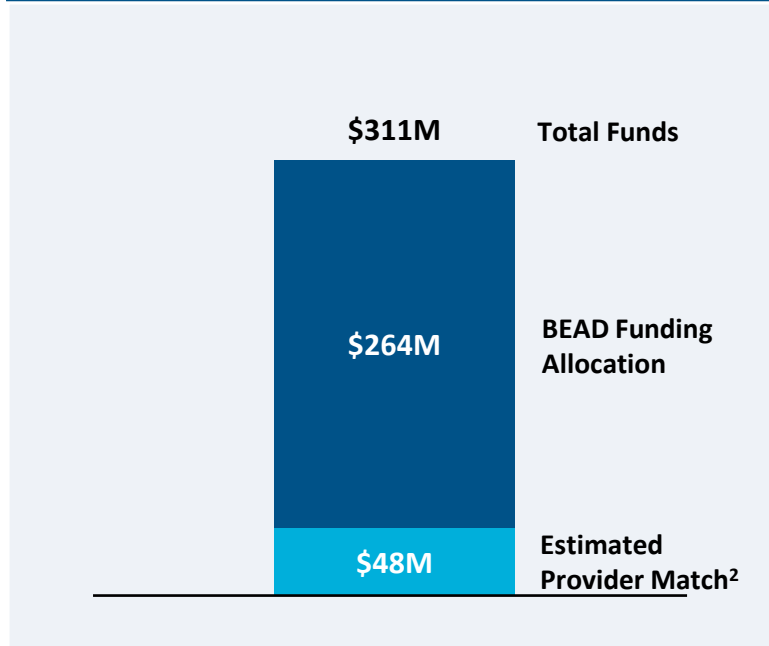


Provider Match %

75% 75% 25% 19%

To be conservative, we assume provider match amounts have a maximum of 75% and a minimum of 25%, except in high-cost areas

Total Capital Available - New Jersey



\$311M in total capital is estimated to be available to serve unserved/underserved New Jersey locations (combining BEAD funding and estimated provider match)

Provider Match - New Jersey

Total Estimated Provider Match: **\$48M**

Total Estimated Eligible Locations: **16.5K**

Average Provider Match: **\$2,901 PER LOCATION**

We estimate the average provider match will be \$2,901 – provider matches will be 75% where cost to deploy is less than \$4K

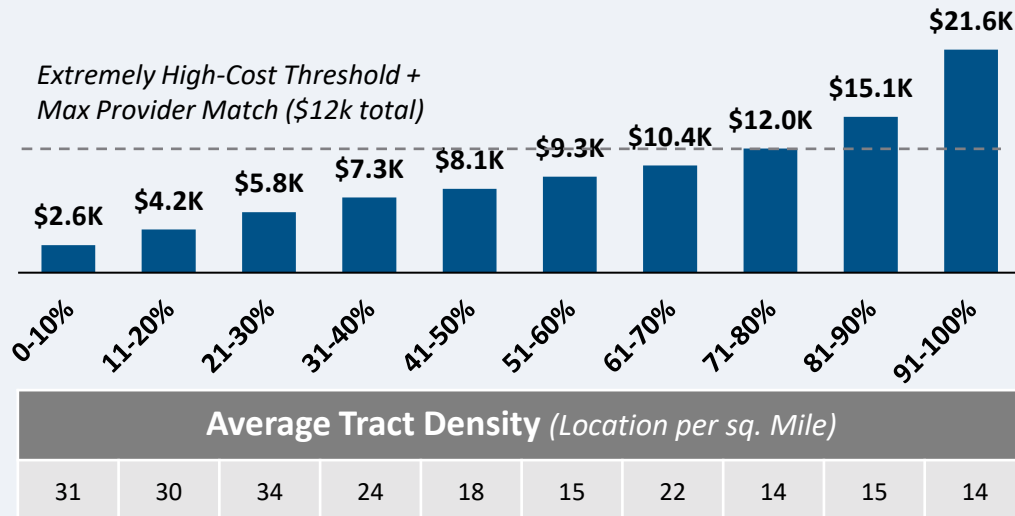
1. The model uses a \$9k threshold, however, States/Territories will individually need to determine their appropriate extremely high-cost threshold
 2. In reality, providers will determine the viable level of match funding for each project using a business case model. They will be willing to contribute a greater match in some locations and less in others. Locations which are hardest to serve may need to be fully funded by BEAD with no match. Competitive bidding should drive provider matches towards this level.

New Jersey | Cost to Deploy Fiber by Decile

CAPEX Fiber Deployment Cost per Location Segmented by Cost Deciles¹

Unserved Locations

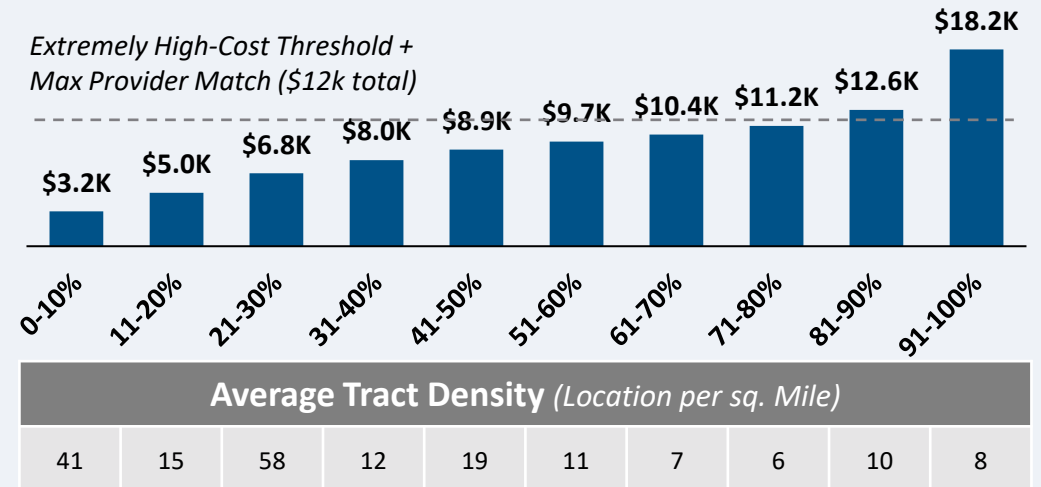
Overall Average Cost per Location: \$9,687



13.8K Locations

Underserved Locations

Overall Average Cost per Location: \$9,472

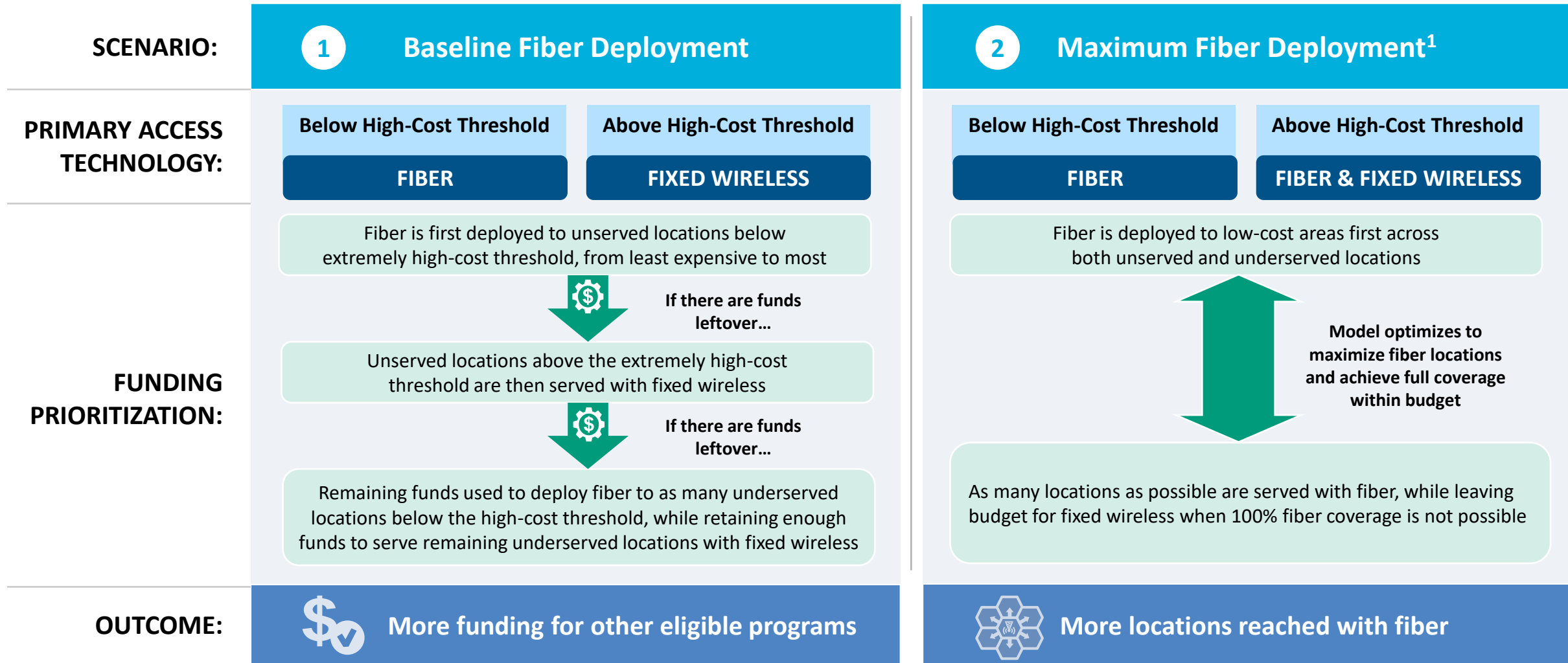


2.7K Locations

Over 70% of locations are estimated to fall below the High-Cost Threshold + Provider Match

1. Chart values are average cost per location for each decile bucket
 Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023)
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New Jersey | Fiber Preferencing Scenarios



1. Scenario 2 deploys fiber beyond the extremely high-cost threshold
 Source: Cartesian
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3 Develop Deployment Scenarios

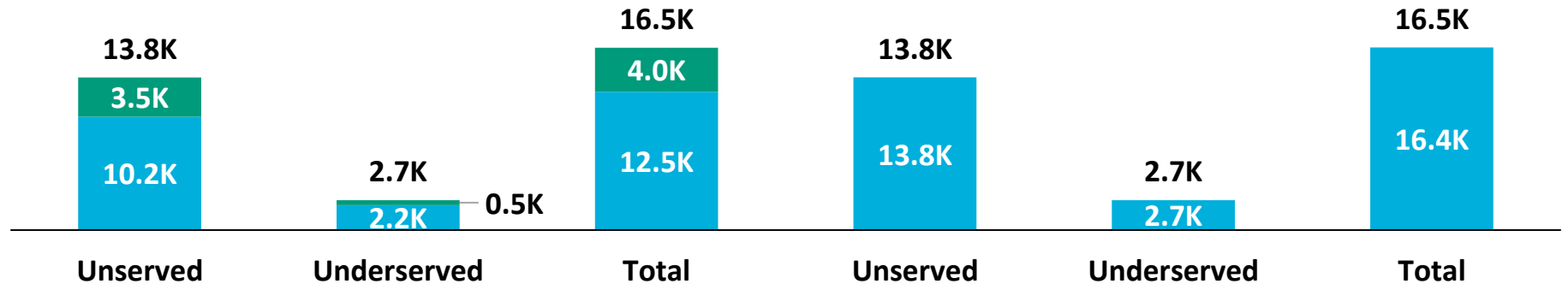
New Jersey | Scenario Analysis Results

SCENARIO:

1 Baseline Fiber Deployment

2 Maximum Fiber Deployment

■ Fixed Wireless
■ Fiber



	Scenario 1	Scenario 2
Capex Required per Locations ¹	\$6,522	\$9,641
BEAD Funds Available to State	\$264M	\$264M
+ Estimated Provider Match	\$48M	\$48M
= Total Available Capital	\$311M	\$311M
- Capex Required to Build	\$110M	\$159M
= Remaining Funds	\$201M	\$153M
% of Locations Reached	100%	100%
% of Locations Reached with Fiber	76%	100%

1. Funding to deploy fiber before the maximum \$3k provider match per location
 Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023), Benton, NTIA
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New Jersey | Conclusion



Funding Summary

New Jersey is expected to receive

\$264M in BEAD funding



\$48M in estimated provider matching

We estimate the funding is sufficient to reach all of New Jersey's 16.5k eligible locations with high-speed broadband



Key Findings

New Jersey appears well positioned to reach all eligible premises and have funding for other BEAD eligible programs

A Baseline Fiber Deployment...



Maximizing Fiber...

- Leaves \$201M additional funds for affordability programs
- Reaches 76% of locations with fiber
- Requires 24% to be reached with other tech.

- Leaves \$153M additional funds for affordability programs
- Reaches 100% of locations with fiber
- Requires 0% to be reached with other tech.

States/Territories will set their own extremely high-cost threshold and may choose a threshold or funding paradigm different from these two scenarios

New Jersey | ACA Connects Members

Member Name
Astound Broadband
Consolidated Communications, Inc.
Hotwire Communications Ltd
Service Electric Cable TV, Inc.



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